

Saluting sustainable excellence for the 14th year

BY CINDY YEAP

Reflecting the heightened market volatility, it has been a sea of red in terms of the share price performance and total returns of the 14 companies named as *The Edge* Billion Ringgit Club (BRC) Company of the Year over the years.

Although only five companies — Supermax Corp Bhd, QL Resources Bhd, Nestlé (Malaysia) Bhd, Press Metal Aluminium Holdings Bhd and Mega First Corp Bhd — clearly showed significant gains when measured from the start of the respective year in which they were presented with the accolade until Oct 27 this year, seven of the 14 companies still outperformed the FBM KLCI in terms of share price gains and six beat the benchmark index in terms of total returns.

Apart from the five companies mentioned above, Petronas Dagangan Bhd outperformed the bellwether index in terms of share price gain and total returns, while ViTrox Corp Bhd did better than the index in terms of stock price performance (see Table 1).

Like last year, seven previous BRC Companies of the Year outperformed the benchmark index in 2023, although with the addition of a 14th member. This was above six in 2021 and only five when measured at the latest practicable date in 2020, but still a far cry from before the pandemic in 2019, when nine of the 10 BRC Companies of the Year outperformed the local bellwether.

Among those that underperformed the index over the respective periods, Genting Bhd and AirAsia Bhd (renamed Capital A Bhd on Feb 10, 2022) were some of the hardest hit by the pandemic. Unlike Supermax, which won years before the recent glove super-cycle, Hartalega Holdings Bhd's performance was compared with a higher base as the industry digested excess capacity following the pandemic. Those who follow Hartalega closely would know, however, that it remains cash-rich and is still a winner at the BRC corporate awards this year (see story on Page 67).

CelcomDigi Bhd (formerly Digi.Com Bhd), Press Metal and Nestlé are also on the BRC winners' list this year (see stories on Pages 54 and 55).

No stranger to the BRC awards, this year's Company of the Year, Mega First, had outperformed the FBM KLCI and FBM Emas year to date when measured on Oct 27 but showed only a single-digit gain (see story on Page 20).

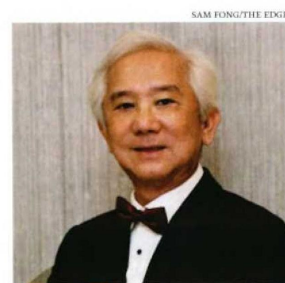
Nonetheless, when measured from the start of 2019, which covers the three-year period considered for this year's award and the months thereafter, Mega First is one of four companies to show triple-digit gains over the period. It beat both indices by more than 100% and was the second top-performing of all past BRC Company of the Year winners except for last year's, Frontken Corp Bhd, which achieved a total return of more than 600% (see Table 2).

In the period from Jan 1, 2019, to Oct 27, 2023, the FBM KLCI was down 14.7%, with a total return of only 2.6%.

Table 1

BRC COMPANY OF THE YEAR							
HOW PERFORMANCE AND SHAREHOLDER RETURNS OF COMPANIES NAMED 'BRC COMPANY OF THE YEAR' STACK UP VERSUS THE FBM KLCI AND FBM EMAS INDEX SINCE THEIR RESPECTIVE WINNING YEAR							
PERIOD	BRC COMPANY OF THE YEAR	PRICE CHANGE (%)	FBM KLCI PERFORMANCE (%)	FBM EMAS PERFORMANCE (%)	TOTAL RETURNS (%)	FBM KLCI TOTAL RETURNS (%)	FBM EMAS TOTAL RETURNS (%)
2010-2023	Supermax Corp Bhd	+79.5	+13.3	+25	+108.3	+80.6	+93
2011-2023	QL Resources Bhd	+433.9	-5.07	+2.5	+508.8	+47.04	+53.8
2012-2023	Genting Bhd	-63.3	-5.8	+1.4	-51.5	+41.2	+47.6
2013-2023	Digi.Com Bhd (CelcomDigi Bhd since March 2, 2023)	-20.6	-14.6	-7.03	+20.5	+23.9	+31.1
2014-2023	Dutch Lady Milk Industries Bhd	-52.06	-22.8	-17.3	-35.9	+8.7	+13.3
2015-2023	Tenaga Nasional Bhd	-28.5	-18.1	-11.9	+7.02	+11.6	+17.1
2016-2023	Nestle (Malaysia) Bhd	+71.5	-14.8	-9.8	+104.2	+12.7	+16.4
2017-2023	AirAsia Bhd (Capital A Bhd since Feb 10, 2022)	-61.8	-12.2	-7.3	-25.7	+12.6	+16.3
2018-2023	Petronas Dagangan Bhd	-6.6	-19.8	-17.8	+12.9	-0.51	-0.1
2019-2023	Press Metal Aluminium Holdings Bhd	102.1	-14.7	-7.8	+112.1	+2.6	+8.8
2020-2023	Hartalega Holdings Bhd	-62.2	-9.2	-6.1	-54.3	+5.6	+7.4
2021-2023	Vitrox Corp Bhd	-5.9	-11.4	-9.6	-4.4	-0.15	+0.4
2022-2023	Frontken Corp Bhd	-19.8	-8.01	-5.97	-17.95	-0.5	+0.88
2023-2023	Mega First Corp Bhd	+3.01	-3.6	-0.63	+5.4	+0.17	+2.7

Note: The performance figures are based on the adjusted share price at the start of the year in which the respective companies received their award to the last practicable date (Oct 27, 2023)



Many BRC winners have proven their worth ... building value that lasts beyond quarterly and annual performances. — Ho



May [award winners'] journey of success [inspire others to reach for greatness and] help you outdo yourself each step of the way. — Tan

BRC members this year

At 181, the number of BRC members in 2023 — companies listed on Bursa Malaysia with a market capitalisation of at least RM1 billion at the cut-off date of March 31 — is higher than last year's 178 but below the all-time high of 186 in 2021.

This year's 181 BRC members command a market cap of RM1.49 trillion, or 90.4% of the combined market cap of all Bursa-listed companies as at March 31, 2023. This is 5.54% below the combined market cap of RM1.58 trillion of the 178 BRC members last year as well as the combined market cap of RM1.59 trillion of the 186 members in 2021,

but above the RM1.41 trillion in 2020 (see Table 2 on Page 16).

The combined net profit of this year's 181 BRC members of RM91.8 billion is comparable to last year's RM95.8 billion and double the multiple-year low of only RM46 billion from 186 BRC members in 2021, owing largely to sizeable losses booked by larger members that were hit more severely by the pandemic in 2020 that pushed numbers to multiple-year lows.

Even so, BRC members continued to be major taxpayers, paying an estimated RM42 billion in taxes in FY2022, above the RM36 billion in FY2021 and significantly higher

than the RM23 billion in FY2020 and RM28 billion in FY2019.

Digi still has the most awards

Of the 151 companies that have won at least one BRC corporate award over the years, Digi (which changed its name to CelcomDigi on March 2, 2023) is still the recipient of the most BRC corporate awards — 24 this year, or 4.4% of the 541 awards given out over the past 14 years. This is largely due to the 21 awards it has collected so far for the highest return on equity (ROE) over three years.

With 15 corporate awards, Public Bank Bhd has had the second-highest haul over the years, followed closely by Press Metal with 14 and Hartalega with 13, including this year's win. IGB REIT has moved up the ranks, with 12 awards, alongside British American Tobacco (M) Bhd while Supermax Corp Bhd and UOA Development Bhd have each taken home 11 trophies so far (see medal tally over the years on Page 30). For uniformity, only those that won gold awards were counted and not those that received the 41 silver awards in 2017.

There has been a noticeable change in the members that occupy the annual BRC Top 20 list in terms of market cap and profit (ranked by FY2022 numbers) this year, with the most notable being the rebound by AMMB Holdings Bhd and YTL Power International Bhd. AMMB was loss-making but YTL recovered strongly, with its shares chased higher this year on the back of a strong earnings recovery in its power business across the Causeway (see tables on Top 20 BRC members by profit and market cap on Page 28).

CONTINUES ON PAGE 16

Table 2

BRC MEMBERSHIP STATISTICS														
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of companies	163	185	144	144	178	166	176	184	170	168	161	186	178	181
As a percentage of total listed companies	17% of 959 listed companies	19% of 955 listed companies	15% of 937 listed companies	15.4% of 937 listed companies	19.1% of 934 listed companies	18.3% of 906 listed companies	19.4% of 906 listed companies	20.4% of 904 listed companies	18.7% of 911 listed companies	18.3% of 919 listed companies	17.4% of 924 listed companies	19.9% of 933 listed companies	18.7% of 952 listed companies	18.8% of 961 listed companies
BRC members' combined market cap as at end-March (RM bil)	916.58	1,165.216	1,197.413	1,320.444	1,544.761	1,536.644	1,513.542	1,592.607	1,692.467	1,551.456	1,407.255	1,592.365	1,580.519	1,492.962
Y-o-y change (%)	NA	 +25.5	 +2.8	 +10.3	 +17	 -0.5	 -1.5	 +5.2	 +6.3	 -8.3	 -9.3	 +13.2	 -0.74	 -5.54
BRC members' combined market cap as a percentage of total market cap of Bursa-listed companies (as at end-March/June) (%)	88	89	88	90.6	90.9	88.9	90.7	90.3	90.8	90.9	90.9	90	88	90.4

Note: Market capitalisation data as at end-March for 2010 to 2023 and as at end-June for 2020

FROM PAGE 14

Malayan Banking Bhd (Maybank) and Public Bank remain the top two largest companies by market cap (as at cut-off date of March 31, 2023). CIMB Group Holdings Bhd moved to third place, edging past Petronas Chemicals Group Bhd. Maybank also kept its pole position in the earnings league for FY2022.

In the 14th instalment this year, the BRC awards, which celebrate Corporate Malaysia's best-performing and top responsible organisations, aim to spur Malaysian companies to be even better at what they do — not just financially but also as responsible corporate citizens.

This is why corporate responsibility (CR) efforts constitute 30% of the scores that go towards determining the Company of the Year (To know how *The Edge* BRC Company of the Year is selected, see the awards methodology on Page 30. Also read what our panel of CR judges has to say on Page 22.)

The BRC methodology is transparent and the awards cannot be bought. The results are audited by Deloitte Malaysia. The billion ringgit mark serves as an aspirational target for dynamic but smaller companies, the same reason the RM40 billion threshold was set for "Super Big Cap" companies.

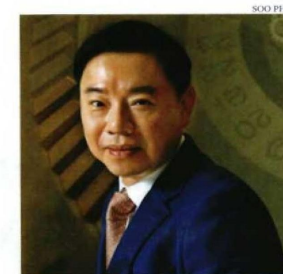
Celebrating excellence

In his speech as guest of honour at the BRC awards gala dinner on Oct 23, Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz invited Corporate Malaysia to embrace technology as well as the "mission-oriented approach to innovation, industrial strategy or finance, which is not business as usual" to enhance the country's economic complexity while working towards net zero and a more inclusive society (read the full speech on Page 8).

In his welcome address, The Edge Media Group publisher and group CEO Datuk Ho Kay Tat said the BRC awards had always stressed the importance of corporate responsibility since its inception 13 years ago — before ESG (environmental, social and governance) became a buzzword. "If fire is the test of gold and adversity of strong men — or, in our case, corporations — then many BRC winners have proved their worth, with not only resilient financial performance but also a



Recognition is just one step in your sustainability journey, not the final destination. — Zhang



Keep striving for excellence and never lose sight of your goals. — Tay

Table 2

How each BRC Company of the Year performed versus the FBM KLCI and FBM Emas (2019 to 2023)					
YEAR OF WIN	BRC COMPANY OF THE YEAR	PRICE CHANGE BETWEEN JAN 1, 2019 AND OCT 27, 2023 (%)	TOTAL RETURNS BETWEEN JAN 1, 2019 AND OCT 27, 2023 (%)	PRICE CHANGE BETWEEN JAN 1, 2020 AND OCT 27, 2023 (%)	TOTAL RETURNS BETWEEN JAN 1, 2020 AND OCT 27, 2023 (%)
2022	Frontken Corp Bhd	+582.98	+626.3	+29.4	+30.5
2023	Mega First Corp Bhd	+120.6	+140	+33.9	+44.8
2021	Vitrox Corp Bhd	+120.03	+126.03	+74.7	+79.2
2019	Press Metal Aluminium Holdings Bhd	+102.07	+112.1	+109.9	+117.8
2011	QL Resources Bhd	+22.9	+27.6	+2.95	+6.14
2010	Supermax Corp Bhd	-2.6	+23.6	+20.1	+50.8
2013	Digi.Com Bhd (CelcomDigi Bhd since March 2, 2023)	-6.7	+10.6	-5.8	+7.3
	FBM EMAS	-7.8	+8.8	-9.2	+5.6
2018	Petronas Dagangan Bhd	-14.5	-0.4	-1.9	+11
2016	Nestle (Malaysia) Bhd	-14.6	-6.7	-14.4	-8.16
-	FBM KLCI	-14.7	+2.6	-6.1	+7.4
2015	Tenaga Nasional Bhd	-27.4	-3.6	-25.6	-4.98
2012	Genting Bhd	-33.8	-20.9	-33.2	-22.6
2014	Dutch Lady Milk Industries Bhd	-62.5	-60.6	-53.97	-51.1
2020	Hartalega Holdings Bhd	-66.3	-58.6	-62.2	-54.3
2017	AirAsia Bhd (Capital A Bhd since Feb 10, 2022)	-70.5	-55.6	-48.5	-48.5